

ASSEMBLY BILL

No. 1320

Introduced by Assembly Member Fong

February 27, 2009

An act to add Chapter 6 (commencing with Section 14550) to Division 7 of the Unemployment Insurance Code, relating to workforce development.

LEGISLATIVE COUNSEL'S DIGEST

AB 1320, as introduced, Fong. Workforce development: lifelong learning pilot program.

The federal Workforce Investment Act of 1998 provides for workforce investment activities, including activities in which states may participate. Existing law, the California Workforce Investment Act, establishes the California Workforce Investment Board, as prescribed, and requires the board to assist the Governor in performing specified duties relating to the development, implementation, and promotion of various workforce development activities, job training, and employment investment, including work incentive programs, as specified.

This bill would, beginning January 1, 2012, create the Lifelong Learning Accounts Pilot Program, for the purpose of providing grants to employers and employees to be used to establish individual lifelong learning accounts, as defined, for the deposit of funds to be used by those employees and employers for purposes related to lifelong education and training. The bill would require the board to establish a grant program and implement and administer the program, as specified. The bill would require the board to prepare and submit a report to specified legislative fiscal and policy committees, evaluating the effectiveness of the program, as prescribed. The bill would provide that

its provisions shall only be implemented if the Director of Finance makes a written determination that there are sufficient state funds available for that purpose.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 6 (commencing with Section 14550) is
2 added to Division 7 of the Unemployment Insurance Code, to read:

3
4 CHAPTER 6. LIFELONG LEARNING ACCOUNTS PILOT PROGRAM
5

6 14550. The Lifelong Learning Accounts Pilot Program is
7 hereby created in the department for the purpose of providing
8 grants to employers and employees to be used to establish
9 individual lifelong learning accounts for the deposit of funds to
10 be used by those employers and employees for purposes related
11 to lifelong education and training.

12 14550.1. For purposes of this chapter, the following terms have
13 the following meanings:

14 (a) "Board" means the California Workforce Investment Board.

15 (b) "Employee" means a California resident who works at least
16 20 hours or more a week, on average, for an employer in this state.

17 (c) "Employer" means a person, partnership, corporation, limited
18 partnership, or limited liability corporation that retains at least one
19 eligible employee for six months.

20 (d) "Grant funds" mean any award, donation, or gift from an
21 individual, foundation, business, or any assistance provided to this
22 state by the federal government.

23 (e) "Lifelong Learning Account" means an account held by a
24 trustee, custodian, fiduciary, or other person approved by the
25 department to be used for the deposit of funds to pay for qualified
26 expenses such as fees, tuition, or other materials relating to job
27 training and education.

28 (f) "Match" means moneys that will be supplied in an amount
29 equal to the total contributed by the employee and employer.

30 (g) "Qualified expense" means "qualified higher education
31 expenses" as defined in Section 529(e) of the Internal Revenue
32 Code.

1 14550.2. (a) The board shall establish a grant program to
2 provide grants to employees and employers to encourage those
3 employees and employers to save for lifelong education and
4 training. Under this program, an employee shall be eligible to
5 receive a grant fund match of up to 50 percent of the first five
6 hundred dollars (\$500) that the employee contributes into his or
7 her Lifelong Learning Account for a maximum amount not to
8 exceed two hundred fifty dollars (\$250). An employee may also
9 be eligible for a match of up to 50 percent of the first five hundred
10 dollars (\$500) contributed, on the employee's behalf, by his or her
11 employer, for a maximum not to exceed two hundred fifty dollars
12 (\$250). The maximum total amount of the grant fund match that
13 could be received by an individual employee, during a single tax
14 year, is five hundred dollars (\$500).

15 (b) The board may contract with an individual, nonprofit
16 organization, or other business to administer and implement the
17 grant program.

18 (c) Any employer or employee who enters into an agreement
19 with the board under this program may designate the account
20 established, pursuant to the agreement, as a Lifelong Learning
21 Account. The board shall ensure that the grant program complies
22 with the applicable requirements of Article 19 (commencing with
23 Section 69980) of Chapter 2 of Division 5 of Part 42 of the
24 Education Code.

25 (d) The board shall make education and career advising and
26 other support services available to employees under the program,
27 and shall provide technical assistance to employers to implement
28 the grant program. The board may use grant funds to offset the
29 costs of support services, technical assistance, and program
30 administration.

31 (e) There shall be established in the State Treasury, a Lifelong
32 Learning Program Fund to receive contributions, in the form of a
33 match of grant funds from individuals, foundations, nonprofits,
34 businesses, and the federal government to be used for the program.

35 (f) The board shall prepare and submit a report to the Assembly
36 Committee on Budget and the Senate Committee on Budget and
37 Fiscal Review, and the appropriate legislative policy committees
38 evaluating the effectiveness of this chapter. The report shall be
39 submitted to those committees at least 20 days prior to the date

1 that the Legislature convenes the second year of the 2011–12
2 Regular Session.

3 (g) The board shall, after consultation with the Treasurer and
4 the Scholarshare Investment Board, adopt any rules and
5 administrative regulations that are necessary to ensure the proper
6 implementation and administration of the program.

7 14550.3. This section shall become operative on January 1,
8 2012.

9 14550.4. The Lifelong Learning Accounts Pilot Program shall
10 only be implemented if the Director of Finance makes a written
11 determination that there are sufficient state funds available for that
12 purpose.

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